

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 COME-00 EB-08 INR-07
LAB-04 NSAE-00 SIL-01 TRSE-00 OMB-01 CU-02 DOTE-00
OC-06 CCO-00 DODE-00 PM-04 H-01 L-03 NSC-05
PA-01 PRS-01 SP-02 SS-15 USIA-06 /093 W
-----242004Z 085945 /46

R 241618Z MAR 77

FM AMEMBASSY ATHENS
TO SECSTATE WASHDC 0000
INFO USMISSION GENEVA
USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: ELAB, PINT, GR

SUBJECT: LABOR DISPUTES MULTIPLY

REFS: (A) ATHENS 1053 (B) ATHENS 2124 (NOTAL)

1. SUMMARY: IN RECENT WEEKS, A SERIES OF LABOR DISPUTES HAS RESULTED IN STRIKES OR SLOWDOWNS BY SEVERAL KEY GROUPS WITHIN THE GREEK WORK FORCE, INCLUDING MANY PUBLIC SERVICE EMPLOYEES. MOST HAVE BEEN OF SHORT DURATION AND APPARENTLY, SO FAR AT LEAST, HAVE HAD NO SERIOUS ECONOMIC IMPACT. HOWEVER, IF CONTINUED, THOSE STRIKES DIRECTLY AFFECTING THE PUBLIC COULD CREAT INCREASED INCONVENIENCE AND AGGRAVATION OUT OF PROPORTION TO ANY IMMEDIATE ECONOMIC IMPACT. THE GOVERNMENT IS FACED WITH THE CHOICE OF ABANDONING WAGE INCREASE GUIDELINES DESIGNED TO KEEP INFLATION CLOSE TO TO 10 PERCENT THIS YEAR OR OF HOLDING FIRM AT THE RISK OF CONTINUED LABOR UNREST WITH THE CONSEQUENT IRRITATION TO THE GENERAL PUBLIC AS WELL AS THE WORKERS AND EMPLOYERS DIRECTLY INVOLVED. END SUMMARY:

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2. SINCE SIGNATURE OF THE NATIONAL GENERAL COLLECTIVE LABOR AGREEMENT ON JANUARY 26 (REF A), LABOR AND PROFESSIONAL GROUPS HAVE CONDUCTED A GROWING NUMBER OF SLOWDOWNS, WORK STOPPAGES AND STRIKES TO SUPPORT WAGE DEMANDS IN EXCESS OF GOVERNMENT-APPROVED WAGE INCREASE GUIDELINES. THE AGREEMENT PROVIDES FOR A TWO-STEP MINIMUM WAGE INCREASE OF 15 PER CENT FOR UNSKILLED WORKERS; THE

GOVERNMENT HAS INDICATED THAT 15 PERCENT IS ALSO ITS APPROVED MAXIMUM FOR WAGE DEMANDS BY HIGHER-PAID WORKERS. MINISTER OF COORDINATION PAPALIGOURAS HAS FURTHER STATED THAT HE EXPECTS HIGHER PAID, RELATIVELY WELL-OFF WORKERS TO SEEK LESS THAN 15 PER CENT AND THAT THE HIGHEST PAID, SUCH AS BANK AND PUBLIC UTILITY EMPLOYEES, SHOULD ANTICIPATE NO WAGE INCREASES.

3. MOST FEDERATIONS AND ASSOCIATIONS REPRESENTING HIGHER PAID WORKERS HAVE RESPONDED WITH DEMANDS FOR ACROSS-THE-BOARD INCREASES RANGING FROM 10-30 PER CENT. EVEN A 15 PER CENT INCREASE SENDS LABOR COSTS ABOVE THE GOVERNMENT'S DESIRED CEILING AS FRINGE BENEFITS, SUCH AS LENGTH OF SERVICE PREMIUMS AND FAMILY ALLOWANCES, ARE FIGURED AS A PERCENTAGE OF AN EMPLOYEE'S BASIC WAGE AND INCREASE WITH IT.

4. SEVERAL IMPORTANT FEDERATIONS HAVE BACKED UP THEIR DEMANDS WITH WORK SLOWDOWNS AND STOPPAGES. LONGSHOREMEN IN PIRAEUS, FOR EXAMPLE, HAVE CAUSED SERIOUS DELAYS IN THE HANDLING OF CARGO (SOME 80 SHIPS ARE WAITING TO BE UNLOADED) BY REFUSING TO WORK OVERTIME, AND THEY ALSO HELD A 48-HOUR STRIKE MARCH 4-5 (REF B). THEY REPORTEDLY REJECTED A 22 PER CENT INCREASE OFFERED BY THE PIRAEUS PORT AUTHORITY ON MARCH 23 AND ARE THREATENING ANOTHER STRIKE FROM MARCH 24-28 IF NON-UNION WORKERS ARE USED BY THE PORT AUTHORITY TO DEAL WITH THE GROWING BACKLOG OF CARGO. OF ALL THE LABOR DISPUTES THE ONE INVOLVING THE LONGSHOREMEN HAS THE POTENTIAL FOR THE GREATEST ADVERSE ECONOMIC IMPACT.

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5. SEVERAL SHORT NATION-WIDE STRIKES BY TELEPHONE, ELECTRIC POWER AND BANK WORKERS HAVE BEEN OF GREATER IMMEDIATE PUBLIC INTEREST. IN ADDITION, THE STRIKE OF SECONDARY SCHOOL TEACHERS, WHICH BEGAN EARLIER THIS MONTH AND IS AFFECTING APPROXIMATELY 700,000 STUDENTS, IS OF GROWING CONCERN TO PARENTS AND THE GOVERNMENT. IN A DISPUTE OVER WORKING SCHEDULES, MOST RETAIL SHOPS IN ATHENS AND PIRAEUS WERE CLOSED ON FEBRUARY 28 AND MARCH 1 AND AGAIN ON MARCH 21. ALL OF THESE DISPUTES HAVE INCONVENIENCED THE PUBLIC OUT OF ALL PROPORTION TO THEIR IMMEDIATE ECONOMIC IMPACT. ONLY THE BANK WORKERS' DISPUTE HAS BEEN SETTLED, WITH A TWO-STEP 15 PER CENT INCREASE. OTHER DISPUTES INVOLVING THE TEXTILE AND ELECTRIC POWER WORKERS ARE UP FOR COMPULSORY ARBITRATION.

6. WE WILL BE REPORTING ON THE STRIKE SITUATION IN GREATER DETAIL BY AIRGRAM.
KUBISCH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: UNION GOVERNMENT RELATIONS, INFLATION, LABOR STRIKES, LABOR DISPUTES
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ATHENS02718
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770101-0717
Format: TEL
From: ATHENS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770328/aaaaaxy.tel
Line Count: 114
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e24f20b3-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 ATHENS 1053, 77 ATHENS 2124
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3014118
Secure: OPEN
Status: NATIVE
Subject: LABOR DISPUTES MULTIPLY
TAGS: ELAB, PINT, GR
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e24f20b3-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009